MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

PBF0014 – INTRODUCTION TO PERSONAL FINANCE

(Foundation in Business)

21 OCTOBER 2016
3:00 pm – 5.00 pm
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **TWO** pages with **FIVE** questions only.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet.

ESSAYS [100 MARKS]

Instructions: Answer **ALL** questions. Write your answers in the Answer Booklet.

QUESTION 1

a) Describe the **FOUR** decisions that must be considered for choosing a suitable consumer loan. (16 marks)

b) List **FOUR** benefits associated with credit card use. (4 marks)

(Total 20 marks)

QUESTION 2

a) Before making the rent or buy decision, it is a good idea to understand its advantages. Identify **FIVE** advantages of both renting and buying a home. (10 marks)

b) Name **THREE** choices available for buying a car. (3 marks)

c) List **THREE** choices to be considered when trying to determine what vehicle to buy. (3 marks)

d) Provide **FOUR** car maintenance tips. (4 marks)

(Total 20 marks)

QUESTION 3

a) What is risk management? State the **TWO** characteristics of risk and explain **THREE** ways you can deal with risk. (10 marks)

b) Define estate planning and explain the **FOUR** estate planning processes. (10 marks)

(Total 20 marks)

Continued...

QUESTION 4

a) In personal financial planning, everything begins and ends with your goals. Before you actually invest your money, you should spend some time to set your investment goals. Briefly list and explain the **FOUR** important steps to consider when setting investment goals. (16 marks)

b) Explain what is risk-return trade off? (4 marks)

(Total 20 marks)

QUESTION 5

a) Critical illnesses such as cancer, heart attack and stroke may, unfortunately strike at any time. But early precautions and proper financial planning may aid you into a better chance of recovery.

i) Discuss the **THREE** steps to consider under the financial life events of major illness. (14 marks)

ii) Give another example of financial life events that a person may face. (1 mark)

b) List the **FIVE** signs of getting into financial trouble. (5 marks)

(Total 20 marks)

End of Paper